

# EXHIBIT N

Do Kwon, *Agora Thread – Reserve Withdrawals and UST Market Sales*, March 19, 2021.

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## Withdrawal #3 from the Stability Reserve

**dokwon** 1 March 19, 2021, 7:03am

With significant demand from Anchor protocol, UST continues to suffer supply issues. Just in the last hour, net buys of UST from Kucoin, curve and uniswap summed to 3M.

Swap spreads for UST minting is highly skewed, with 6-7% being the average penalty. We will be introducing further governance proposals to make this more efficient soon.

TFL will be drawing down an additional 20M luna from the stability reserve to mint more UST to serve inbound demand.

TXID: [Terra Finder](#)

Cumulative withdrawals: 50M

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**Matej\_Tomazin** 2 March 19, 2021, 3:08pm

One q - is this reserve withdrawal permanent or are there any other plans to build reserves back?

2 Likes

**dokwon** 3 March 22, 2021, 3:18am

That's a good question - so once we mint UST by burning reserve Luna, we use it to create liquidity in various ways:

- Supply UST inventory to markets to keep price at peg
- Fund liquidity pools on various AMMs (Curve, uniswap, terraswap) to build up liquidity as prices / TVL goes up

I imagine an arrangement that makes sense is to use the stability reserve during expansions and return during UST contractions. It's likely that on net, the economy will be expansionary, and how much we will be able to build reserves back is unclear.

2 Likes

**Pani** 4 April 7 2021 10:02pm

<https://classic-agora.terra.money/t/withdrawal-3-from-the-stability-reserve/519/print>

Will any portion of the stability reserve be returned to manage the pegs current state?

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**dokwon** 5 April 9, 2021, 2:52am

That's pretty much what it's there for. [@Papi](#)

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**WMoon** 6 May 23, 2021, 8:00am

Just wanted to check in on whether the previous idea to build back the stability reserve in a contracting UST market is an option that will be deployed? Presumably the Stability Reserve is very well funded having minted UST from 13-22\$?

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**Cephii1** 7 May 23, 2021, 10:53pm

If UST demand is high, why does it have issues maintaining peg? should the value not rise if people are moving to UST?